



SOUTHWEST GAS CORPORATION

Donald L. Soderberg, Vice President/Pricing

October 28, 2011

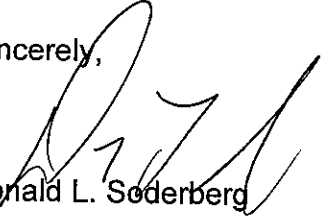
Attention: Julie Fitch, Director
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4004
San Francisco, CA 94102

Subject: Southwest Gas Corporation (U 905 G)
Advice Letter No. 876

Dear Ms. Fitch:

Enclosed herewith are five (5) copies of Southwest Gas Corporation's Advice Letter No. 853, together with California Gas Tariff P.U.C. Sheet No. 121.

Sincerely,



Donald L. Soderberg

DLS:kt
Enclosures



SOUTHWEST GAS CORPORATION

Advice Letter No. 876

October 28, 2011

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Southwest Gas Corporation (Southwest) (U 905 G) tenders herewith for filing the following tariff sheets.

California Gas Tariff

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
1 st Revised	Schedule No. G-PPPS – Surcharge to Fund Public Purpose Programs (PPP)	Original

The purpose of this filing is to adjust Public Purpose Program (PPP) Surcharge rates in compliance with Ordering Paragraph No. 22 in Decision No. (D.) 04-08-010.

In accordance with D.04-08-010, Southwest has calculated proposed PPP surcharges based on its projected 2012 CARE subsidy, and its 2012 CARE outreach and administrative expenses and LIEE program expenses requested in Application (A.) 11-06-016. Volumes used in the calculations for Southwest's Southern and Northern California Divisions, including the South Lake Tahoe service area, reflect a three-year (36 consecutive months ended September 2011) average as set forth in D.04-08-010. The number of CARE customers, volumes and associated dollar amounts reflected in the calculation of Southwest's 2012 PPP surcharges are shown in the attached Appendix A.

Effective Date

Southwest believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 pursuant to General Order (G.O.) 96-B. Southwest respectfully requests the rate changes proposed herein be approved November 28, 2011, which is thirty (30) calendar days after the date filed, with an effective date of January 1, 2012.

Protest

Anyone wishing to protest this filing may do so by sending a letter within 20 days of the filing. The protest should set forth the grounds upon which it is based and should be submitted expeditiously. There is no restriction on who may file a protest. Protests should be mailed to:



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Investigation, Monitoring & Compliance Program Manager
California Public Utilities Commission, Energy Division
505 Van Ness Avenue, Room 4002
San Francisco, CA 94102
Facsimile: 415-703-2200

Copies should also be mailed to the attention of Director, Energy Division, Room 4004 at the same address as above, and mailed and faxed to:

Mr. John P. Hester, Senior Vice-President
Regulatory Affairs and Energy Resources
Southwest Gas Corporation
P.O. Box 98510
Las Vegas, Nevada 89193-8510
Facsimile: 702-876-7037

Notice

Pursuant to Energy Industry Rule 3.1(1), Southwest is exempt from the notice requirements set forth in General Rule 4.2 in G.O. 96-B since the annual PPP Surcharges adjustments proposed herein were previously authorized in D.04-08-010.

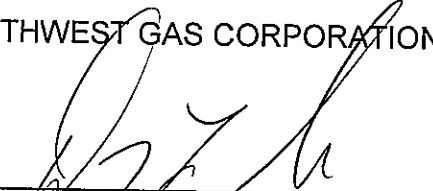
Service

In accordance with G.O. 96-B, General Rule 4.3, Southwest is mailing copies of this advice letter and related tariff sheets to the utilities and interested parties shown on the attached list.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By



Donald L. Soderberg

Attachments

DISTRIBUTION LIST

Advice Letter No. 876

In Conformance with G.O. 96-B, General Rule 4.3

Southern California Edison Company

Pacific Gas & Electric Company

Sierra Pacific Power Company

San Diego Gas & Electric Company

Southern California Gas Company

Southern California Water Company

R. Thomas Beach

Duane Morris, LLP

Director/Division of Ratepayer Advocates

Schedule No. G-PPPS

SURCHARGE TO FUND PUBLIC PURPOSE PROGRAMS (PPP)

APPLICABILITY

Applicable to all gas sales and transportation service excluding service for: electric generation including cogeneration, enhanced oil recovery, wholesale for resale to end users, natural gas produced in California and transported on a proprietary pipeline, and the consumption of natural gas which California is prohibited for taxing under the United States Constitution or the California Constitution.

TERRITORY

Throughout the Company's certificated California service areas, except as may hereafter be provided.

RATES

<u>Customer Class</u>	PPP SURCHARGE AMOUNT PER THERM			
	<u>Non-CARE Customers</u>		<u>CARE Customers</u>	
	<u>Southern CA</u>	<u>Northern CA/ South Lake Tahoe</u>	<u>Southern CA</u>	<u>Northern CA/ South Lake Tahoe</u>
Core *				
Residential	\$.20820	\$.04882	\$.02527	\$.02527
Commercial/Industrial	\$.20820	\$.04882	\$.02527	\$.02527
Gas Engine	\$.20820	\$.04882	N/A	N/A
Natural Gas Vehicle	\$.20820	\$.04882	N/A	N/A
Non-Core **				
Commercial/Industrial	\$.20820	\$.04882	N/A	N/A

* Residential service includes Rate Schedule Nos. GS/GN/SLT-10, -12, -15, -20, and -25; and GS-11. Commercial/Industrial service includes Rate Schedule Nos. GS/GN/SLT-30, -35, -40, and -60. Natural Gas Vehicle service includes Rate Schedule No. GS-50/GN-50/SLT-50.

** Commercial/Industrial service includes Rate Schedule No. GS-70/GN-70/SLT-70.

The PPP surcharges are set forth in the currently-effective Statement of Rates of this California Gas Tariff and are incorporated herein by reference.

The number of therms shall be determined in accordance with the provisions of Rule No. 2C of this California Gas Tariff.

**SOUTHWEST GAS CORPORATION
CALIFORNIA
SUMMARY OF PUBLIC PURPOSED PROGRAM (PPP) SURCHARGE CALCULATIONS
TO BE EFFECTIVE JANUARY 1, 2012**

Line No.	Description (a)	Southern California (b)	Northern California [1] (c)	Line No.
<u>CARE Program Surcharge</u>				
	Number of CARE Customers			
1	Residential	53,279	3,818	1
2	Non-Profit Group Living	13	10	2
3	Total Number of CARE Customers	<u>53,292</u>	<u>3,828</u>	3
	CARE Customer Volumes			
4	Residential	26,426,384	2,888,910	4
5	Non-Profit Group Living	73,268	214,368	5
6	Total CARE Customer Volumes	<u>26,499,652</u>	<u>3,103,278</u>	6
	CARE Program Expenses			
7	Total Estimated Benefit	\$ 11,567,760	\$ 750,019	7
8	Balancing Account	153,740	216,419	8
9	Authorized Outreach and Administrative Cost	182,006	12,994	9
10	Authorized BOE Administrative Cost	5,175	3,316	10
11	Total CARE Program Expense	<u>\$ 11,908,681</u>	<u>\$ 982,748</u>	11
12	Total Non-CARE Volumes	65,097,915	41,723,779	12
13	Non-CARE Surcharge	<u>\$ 0.18293</u>	<u>\$ 0.02355</u>	13
<u>LIEE Surcharge</u>				
	LIEE Program Expenses			
14	Authorized R&D Expense	\$ 299,688	\$ 299,688	14
15	Authorized LIEE Program Expense	3,024,847	3,024,847	15
16	Total LIEE Program Expense	<u>\$ 3,324,535</u>	<u>\$ 3,324,535</u>	16
17	Total CARE Volumes	<u>131,585,489</u>	<u>131,585,489</u>	17
18	CARE Surcharge	<u>\$ 0.02527</u>	<u>\$ 0.02527</u>	18
19	Total Non-CARE Surcharge	<u>\$ 0.20820</u>	<u>\$ 0.04882</u>	19

[1] Including the Company's South Lake Tahoe service area.

**SOUTHWEST GAS CORPORATION
SOUTHERN CALIFORNIA
CALCULATION OF PUBLIC PURPOSE PROGRAM (PPP) SURCHARGES
TO BE EFFECTIVE JANUARY 1, 2012**

Line No.	Description (a)	Amount [1] (b)	Rates [2] (c)	Revenue (d)	Applicable Volume (Therms) (e)	Surcharge Rate per Therm (f)	Line No.
Non-CARE Surcharge							
GS-12 CARE Residential							
1	Number of Bills	639,348	\$ 5.00	\$ 3,196,740			1
2	Baseline Sales	17,687,018	\$ 1.30351	\$ 23,055,205			2
3	Tier II Sales	8,739,366	1.46515	\$ 12,804,482			3
4	Total	<u>26,426,384</u>		<u>\$ 39,056,427</u>			4
5	Number of Bills	639,348	\$ 4.00	\$ 2,557,392			5
6	Baseline Sales	17,687,018	\$ 0.90165	\$ 15,947,500			6
7	Tier II Sales	8,739,366	\$ 1.03097	\$ 9,010,024			7
8	Total	<u>26,426,384</u>		<u>\$ 27,514,916</u>			8
9	Total GS-12 CARE Benefit			<u>\$ 11,541,511</u>			9
GS-35 Non-Profit Group Living Facility							
10	Number of Bills	156	\$ 11.00	\$ 1,716			10
Summer Sales							
11	1st 100	4,186	\$ 1.22228	\$ 5,116			11
12	Next 500	7,807	\$ 1.11878	\$ 8,734			12
13	Next 2400	6,791	\$ 1.02528	\$ 6,963			13
14	Over 3000	6,881	\$ 0.87131	\$ 5,995			14
Winter Sales							
15	1st 100	8,694	\$ 1.23839	\$ 10,767			15
16	Next 500	14,633	\$ 1.13489	\$ 16,607			16
17	Next 2400	13,603	\$ 1.04139	\$ 14,166			17
18	Over 3000	10,673	\$ 0.88742	\$ 9,471			18
19	Total	<u>73,268</u>		<u>\$ 79,536</u>			19
20	Number of Bills	156	\$ 8.80	\$ 1,373			20
Summer Sales							
21	1st 100	4,186	\$ 0.83667	\$ 3,502			21
22	Next 500	7,807	\$ 0.75387	\$ 5,885			22
23	Next 2400	6,791	\$ 0.67907	\$ 4,612			23
24	Over 3000	6,881	\$ 0.55589	\$ 3,825			24
Winter Sales							
25	1st 100	8,694	\$ 0.84956	\$ 7,386			25
26	Next 500	14,633	\$ 0.76676	\$ 11,220			26
27	Next 2400	13,603	\$ 0.69196	\$ 9,413			27
28	Over 3000	10,673	\$ 0.56878	\$ 6,071			28
29	Total	<u>73,268</u>		<u>\$ 53,287</u>			29
30	Total GS-35 Non-Profit Group Living Facility CARE Benefit			<u>\$ 26,249</u>			30
31	Total CARE Benefit			\$ 11,567,760	65,097,915 [3]	\$ 0.17770	31
Outreach & Administration							
32	Southwest Gas [4]			\$ 182,006	65,097,915	\$ 0.00279	32
33	CPUC			\$ -	65,097,915	\$ -	33
34	BOE			\$ 5,175	65,097,915	\$ 0.00008	34
35	CARE Balancing Account at September 30, 2011			\$ 153,740	65,097,915	\$ 0.00236	35
36	Non-CARE Surcharge			<u>\$ 11,908,681</u>	<u>65,097,915</u>	<u>\$ 0.18293</u>	36
Statewide CARE Surcharge							
37	Research and Development (R&D) Surcharge			\$ 299,688	131,585,489 [5]	\$ 0.00228	37
38	Low Income Energy Efficiency Program (LIEE) Surcharge [6]			\$ 3,024,847	131,585,489	\$ 0.02299	38
39	Total CARE Surcharge					<u>\$ 0.02527</u>	39
40	Total Non-CARE Surcharge (Line 36 + Line 39)					<u>\$ 0.20820</u>	40

[1] Projected 2012 CARE customers and volumes.

[2] November 1, 2011 rates including estimated average annual gas cost and requested January 1, 2012 PPP surcharges.

[3] Three-year (36 consecutive months ended September 2011) average volumes excluding exempt volumes.

[4] Outreach and Administrative costs requested in A.11-06-016. Allocated to Southern and Northern California based on CARE program customer participation.

[5] Three-year (36 consecutive months ended September 2011) average volumes for Southern and Northern California excluding exempt volumes.

[6] LIEE expenses requested in A.11-06-016.

**SOUTHWEST GAS CORPORATION
NORTHERN CALIFORNIA AND SOUTH LAKE TAHOE
CALCULATION OF PUBLIC PURPOSE PROGRAM SURCHARGES
TO BE EFFECTIVE JANUARY 1, 2012**

Line No.	Description (a)	Revenue [1] (b)	Applicable Volume (Therms) (c)	Surcharge Rate per Therm (d)	Line No.
<u>Non-CARE Surcharge</u>					
1	Total CARE Benefit	\$ 750,019	41,723,779 [2]	\$ 0.01798	1
<u>Outreach & Administration</u>					
2	Southwest Gas [3]	\$ 12,994	41,723,779	\$ 0.00030	2
3	CPUC	0	41,723,779	0.00000	3
4	BOE	3,316	41,723,779	0.00008	4
5	CARE Balancing Account at September 30, 2011	<u>\$ 216,419</u>	<u>41,723,779</u>	<u>\$ 0.00519</u>	5
6	Non-CARE Surcharge	<u>\$ 982,748</u>	<u>41,723,779</u>	<u>\$ 0.02355</u>	6
<u>Statewide CARE Surcharge</u>					
7	Research and Development (R&D) Surcharge	\$ 299,688	131,585,489 [4]	\$ 0.00228	7
8	Low Income Energy Efficiency Program (LIEE) Surcharge [5]	\$ 3,024,847	131,585,489	\$ 0.02299	8
9	Total CARE Surcharge			<u>\$ 0.02527</u>	9
10	Total Non-CARE Surcharge (Line 6 + Line 9)			<u>\$ 0.04882</u>	10

[1] Total CARE and LIEE program expenses for Southwest's South Lake Tahoe and Northern California service territories.

[2] Three-year (36 consecutive months ended September 2011) average volumes for Northern California and South Lake Tahoe excluding exempt volumes.

[3] Outreach and Administrative costs requested in A.11-06-016. Allocated to Southern and Northern California based on CARE program customer participation.

[4] Three-year (36 consecutive months ended September 2011) average volumes for Southern and Northern California excluding exempt volumes.

[5] LIEE expenses requested in A.11-06-016.

SOUTHWEST GAS CORPORATION
NORTHERN CALIFORNIA
CALCULATION OF CARE BENEFIT

Line No.	Description (a)	Amount [1] (b)	Rates [2] (c)	Revenue (d)	Line No.
Non-CARE Surcharge					
GS-12 CARE Residential					
1	Number of Bills	15,876	\$ 5.00	\$ 79,380	1
2	Baseline Sales	623,629	\$ 1.30378	813,075	2
3	Tier II Sales	289,241	1.41449	409,129	3
4	Total	<u>912,870</u>		<u>\$ 1,301,584</u>	4
5	Number of Bills	15,876	\$ 4.00	\$ 63,504	5
6	Baseline Sales	623,629	\$ 1.02937	641,945	6
7	Tier II Sales	289,241	1.11794	323,354	7
8	Total	<u>912,870</u>		<u>\$ 1,028,803</u>	8
9	Total GS-12 CARE Benefit			<u>\$ 272,780</u>	9
GS-35 Non-Profit Group Living Facility					
10	Number of Bills	36	\$ 11.00	\$ 396	10
Summer Sales					
11	1st 100	1,111	\$ 1.16217	\$ 1,291	11
12	Next 500	1,898	1.06617	2,024	12
13	Next 2400	1,410	0.97317	1,372	13
14	Over 3000	436	0.85132	371	14
Winter Sales					
15	1st 100	4,229	\$ 1.18742	\$ 5,022	15
16	Next 500	7,306	1.09142	7,974	16
17	Next 2400	6,180	0.99842	6,170	17
18	Over 3000	3,638	0.87657	3,189	18
19	Total	<u>26,208</u>		<u>\$ 27,809</u>	19
20	Number of Bills	36	\$ 8.80	\$ 317	20
Summer Sales					
21	1st 100	1,111	\$ 0.91609	\$ 1,018	21
22	Next 500	1,898	0.83929	1,593	22
23	Next 2400	1,410	0.76489	1,078	23
24	Over 3000	436	0.66741	291	24
Winter Sales					
25	1st 100	4,229	\$ 0.93629	\$ 3,960	25
26	Next 500	7,306	0.85949	6,279	26
27	Next 2400	6,180	0.78509	4,852	27
28	Over 3000	3,638	0.68761	2,502	28
29	Total	<u>26,208</u>		<u>\$ 21,889</u>	29
30	Total GN-35 Non-Profit Group Living Facility CARE Benefit			<u>\$ 5,919</u>	30
31	Total CARE Benefit			<u>\$ 278,700</u>	31

[1] Projected 2012 CARE customers and volumes.

[2] November 1, 2011 rates including estimated average annual gas cost and requested January 1, 2012 PPP surcharges.

**SOUTHWEST GAS CORPORATION
SOUTH LAKE TAHOE
CALCULATION OF CARE BENEFIT**

Line No.	Description (a)	Amount [1] (b)	Rates [2] (c)	Revenue (d)	Line No.
Non-CARE Surcharge					
GLT-212 - Limited Income Residential					
1	Number of Bills	29,940	\$ 5.00	\$ 149,700	1
2	Baseline Sales	1,362,870	\$ 0.92276	1,257,602	2
3	Tier II Sales	613,170	1.02372	627,714	3
4	Total	<u>1,976,040</u>		<u>\$ 2,035,016</u>	4
5	Number of Bills	29,940	\$ 4.00	\$ 119,760	5
6	Baseline Sales	1,362,870	\$ 0.72456	987,481	6
7	Tier II Sales	613,170	0.80533	493,804	7
8	Total	<u>1,976,040</u>		<u>\$ 1,601,045</u>	8
9	Total GS-12 CARE Benefit			<u>\$ 433,971</u>	9
GLT-222 - Limited Income General Natural Gas Service					
10	Number of Bills	84	\$ 11.00	\$ 924	10
Summer Sales					
11	1st 100	7,014	\$ 0.92270	\$ 6,472	11
12	Next 500	14,275	0.90770	12,957	12
13	Next 2400	12,636	0.89270	11,280	13
14	Over 3000	3,637	0.86874	3,160	14
Winter Sales					
15	1st 100	24,389	\$ 0.94829	\$ 23,128	15
16	Next 500	48,791	0.93329	45,536	16
17	Next 2400	50,222	0.91829	46,118	17
18	Over 3000	27,196	0.89433	24,322	18
19	Total	<u>188,160</u>		<u>\$ 173,898</u>	19
20	Number of Bills	84	\$ 8.80	\$ 739	20
Summer Sales					
21	1st 100	7,014	\$ 0.72451	\$ 5,082	21
22	Next 500	14,275	0.71251	10,171	22
23	Next 2400	12,636	0.70051	8,852	23
24	Over 3000	3,637	0.68134	2,478	24
Winter Sales					
25	1st 100	24,389	\$ 0.74498	\$ 18,169	25
26	Next 500	48,791	0.73298	35,763	26
27	Next 2400	50,222	0.72098	36,209	27
28	Over 3000	27,196	0.70181	19,086	28
29	Total	<u>188,160</u>		<u>\$ 136,549</u>	29
30	Total GLT-222 Non-Profit Group Living Facility CARE Benefit			<u>\$ 37,348</u>	30
31	Total CARE Benefit			<u>\$ 471,319</u>	31

[1] Projected 2012 CARE customers and volumes.

[2] November 1, 2011 rates including estimated average annual gas cost and requested January 1, 2012 PPP surcharges.